

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)	
ELKHORN WATER DISTRICT)	CASE NO. 94-058

O R D E R

On February 10, 1994, Elkhorn Water District ("Elkhorn") filed its application with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. Elkhorn purchases water from the Frankfort Electric and Water Plant Board ("Frankfort").

2. Pursuant to a notice of rate increase of \$0.044 by the Kentucky River Authority effective January 1, 1994, Frankfort increased its rate to Elkhorn effective the same date.

3. Frankfort increased its rates for water sold from \$1.03 per 1,000 gallons to \$1.08 per 1,000 gallons. Elkhorn proposes to increase the water rates to its customers effective January 1, 1994.

4. On February 25, 1994, the Kentucky River Authority changed the effective date for its increase to April 1, 1994. Therefore, the effective date of an increase of rates by Elkhorn should be April 1, 1994.

5. During the 12 months ending December 31, 1993, Elkhorn purchased 42,808,800 gallons of water and sold 37,876,000 gallons. The increase in the cost of purchased water is \$2,140, resulting in a purchased water adjustment of \$0.057 per 1,000 gallons of water, rounded to \$0.06, the increase in the cost of purchased water is \$2,569. Based on an average monthly usage of 5,000 gallons, the average bill of Elkhorn's customers would increase \$0.30 from \$19.81 to \$20.11 or 1.5 percent.

6. The rates proposed by Elkhorn are incorrect and should be denied.

7. The purchased water adjustment of \$0.06 per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Elkhorn are hereby denied.

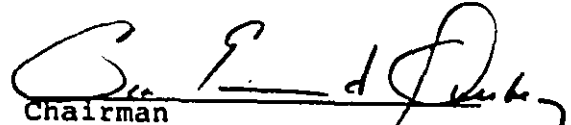
2. The purchased water adjustment of \$0.06 per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after April 1, 1994.

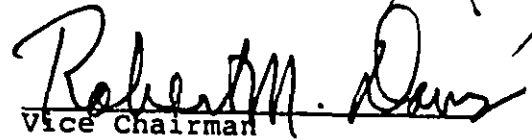
3. Within 30 days of the date of this Order, Elkhorn shall file revised tariff sheets setting out the rates approved herein.

4. Within 20 days of the effective date of the increase by the Kentucky River Authority, Elkhorn shall file a copy of the notice to its customers and verification that such notice has been given.

Done at Frankfort, Kentucky, this 11th day of March, 1994.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 94-058 DATED March 11, 1994

The following rates and charges are prescribed for the customers in the area served by Elkhorn Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

MONTHLY RATES

GENERAL SERVICE

First 2,000 gallons	\$ 9.64 (Minimum Bill)
Next 3,000 gallons	3.49 per 1,000 gallons
Next 5,000 gallons	3.02 per 1,000 gallons
Over 10,000 gallons	2.02 per 1,000 gallons

MINIMUM BILLS

General Service Meters

5/8 inch	2,000 gallons	\$ 9.64
1 inch	5,000 gallons	20.10
1-1/2 inch	10,000 gallons	35.18
2 inch	16,000 gallons	47.28

All usage in excess of the minimum shall be billed according to the General Rate Schedule.

Mobile Home Parks

McConnell	15,000 gallons	\$ 72.26
Elkhorn	76,000 gallons	366.09
Capital	125,000 gallons	602.13

Minimum for mobile home parks are determined by multiplying the number of spaces available by one-half the minimum usage allowance and minimum bill for general service. All usage in excess of the minimum is billed at general service rates.